

The House Committee on Energy, Utilities and Telecommunications offers the following substitute to SB 422:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 46 of the Official Code of Georgia Annotated, relating to public utilities and
2 public transportation, so as to modify the percentage limitation as to the amount of the
3 investments an electric membership corporation may make and maintain in a gas affiliate;
4 to require an electric membership corporation to disclose certain transactions and other
5 information to its members within a certain time frame, if such electric membership
6 corporation exceeds a specific percentage amount of investments in a gas affiliate; to provide
7 for related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Title 46 of the Official Code of Georgia Annotated, relating to public utilities and public
11 transportation, is amended by revising Code Section 46-4-164, relating to construction of
12 article, electric membership corporations and EMC gas affiliates, and liquefied petroleum
13 gas, as follows:

14 "46-4-164.

15 (a) Nothing in this article shall be deemed to apply or impose requirements not otherwise
16 existing on gas distribution companies owned by any county, municipality, other political

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subdivision, or governmental authority of this state; nor are the provisions of this article intended to increase or decrease the authority and jurisdiction of the commission with respect to the distribution, sale, or transportation of gas by any county, municipality, other political subdivision, or governmental authority of this state. Nothing in this article shall be construed to limit or otherwise affect the existing powers of municipal corporations or other political subdivisions of this state relating to the granting of franchises or the levying or imposition of taxes, fees, or charges.

(b) Notwithstanding any provision of law to the contrary, including, without limitation, Article 4 of Chapter 3 of this title, an electric membership corporation may make and maintain investments in, lend funds to, and guarantee the debts and obligations of an EMC gas affiliate in total not to exceed ~~15~~ 25 percent of such electric membership corporation's net utility plant, excluding electric generation and transmission assets as defined by the Federal Energy Regulatory Commission Uniform System of Accounts in effect at the time of such investment, loan, or guarantee, provided that any such investments or loans shall not reflect rates which are generally available through the use of any tax exempt financing and may not be tied to any loans from or guaranteed by the federal or state government; and an EMC gas affiliate of an electric membership corporation organized and operating pursuant to Article 4 of Chapter 3 of this title may apply for and be granted a certificate of authority to provide any service as authorized under this article. The creation, capitalization, or provision of management for:

(1) An EMC gas affiliate engaged in activities subject to the provisions of this article and the rules and regulations established by the commission; or

(2) Other persons providing customer services

shall be deemed to be among the purposes of an electric membership corporation as specified in paragraphs (2) and (3) of Code Section 46-3-200. Nothing in this article shall be deemed to increase or decrease the authority and jurisdiction of the commission with respect to such electric membership corporation except as to gas activities undertaken by

the electric membership corporation or its EMC gas affiliate as authorized under this chapter.

(c) Within six months following any transaction that causes an electric membership corporation to have more than 15 percent of its net utility plant invested in, lent to, or secured for the benefit of its EMC gas affiliate, excluding electric generation and transmission assets as defined by the Federal Energy Regulatory Commission Uniform System of Accounts, such electric membership corporation shall disclose to its members:

(1) A description of the assets or interests acquired in the transaction;

(2) The date of such transaction;

(3) A description of any assets pledged by the electric membership corporation to secure a loan or other funding in connection with such transaction;

(4) The total amount of the electric membership corporation's assets, debts, and obligations, and those of the EMC gas affiliate; and

(5) The total amount of the electric membership corporation's electric generation and transmission assets as defined by the Federal Energy Regulatory Commission Uniform System of Accounts.

~~(c)~~(d) Nothing in this article shall be construed to allow or authorize an electing distribution company, a certificated marketer, or a regulated provider of natural gas to engage in the production, transportation, marketing, or distribution of liquefied petroleum gas; provided, however, that nothing in this article shall be construed to prohibit an electing distribution company from using liquefied petroleum gas to provide for system balancing and peaking services for its distribution system."

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.